

SEALED DOCUMENT PURSUANT
TO E-GOVERNMENT ACT OF 2002

FILED

IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS

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U.S. DISTRICT COURT
WESTERN DISTRICT OF TEXAS

DEPUTY CLERK

UNITED STATES OF AMERICA,

Plaintiff,

VS.

REGINALD EARL GREEN, (1),
KENNETH ANTHONY THORNTON (2),
KIMBERLY LYN JOHNSON (3),
DEREK LEVON LOWE (4),
ALEX OROSCO (5),
ROSE MARY FINNEY (6),
JAMES CLINT HENIGSMITH (7),
VIRGINIA LARA FLORES (8),
TASHA RESHEA MILLER (9),

Defendants.

CRIMINAL NO. SA-07-CR

INDICTMENT

Vio: 18 U.S.C. § 1344

Bank Fraud

18 U.S.C. § 2 Aiding and Abetting

THE GRAND JURY CHARGES:

COUNT ONE

[18 U.S.C. § 1344]

[18 U.S.C. § 2]

From on or about October 1, 2006, through on or about March 1, 2007, in the Western
District of Texas, the Defendants,

REGINALD EARL GREEN,
KENNETH ANTHONY THORNTON,
KIMBERLY LYN JOHNSON,
DEREK LEVON LOWE,
ALEX OROSCO,
ROSE MARY FINNEY,
JAMES CLINT HENIGSMITH,
VIRGINIA LARA FLORES,
and
TASHA RESHEA MILLER,

aided and abetted by one another and by others, did knowingly execute and attempt to execute a scheme and artifice to defraud the USAA Federal Savings Bank, a federally insured depository institution, with accounts insured by the Federal Deposit Insurance Corporation, and did obtain moneys, funds, credits, assets, securities, and other properties owned by, and under the custody and control of the USAA Federal Savings Bank, by means of false and fraudulent pretenses, representations and promises, in violation of Title 18, United States Code, Section 1344.

MANNER AND MEANS OF THE SCHEME TO DEFRAUD

It was a part of the scheme and artifice to defraud the USAA Federal Savings Bank and to obtain money under the custody and control of said financial institution that, by means of false and fraudulent pretenses, representations, and promises in order to deceive:

1. The Defendants opened and caused to be opened checking accounts at the USAA Federal Savings Bank and used them as receptacles for fraudulent deposits and subsequent sources of fraudulent withdrawals of cash;
2. Defendants Reginald Earl Green, Jr. and Kenneth Anthony Thornton solicited other persons, including Kimberly Lyn Johnson, Derek Levon Lowe, Alex Orosco, Rose Mary Finney, James Clint Henigsmith, Virginia Lara Flores, Tasha Reshea Miller, and others, to open new checking accounts at the USAA Federal Savings Bank to be used as receptacles for fraudulent deposits and subsequent sources of fraudulent withdrawals of cash;
3. Defendants Reginald Earl Green and Kenneth Anthony Thornton, escorted the above persons to USAA Federal Savings Bank for the purpose of establishing new checking accounts to be used in the scheme to defraud;
4. Defendants Reginald Earl Green and Kenneth Anthony Thornton instructed the account

holders to advise them when the ATM cards were available for use on the new accounts;

5. After opened, each account was funded with fraudulent deposits, including checks written on closed or unfunded accounts;

6. Defendants caused the account holders to withdraw cash from the checking accounts which had been funded with fraudulent deposits;

7. Defendants Reginald Earl Green and Kenneth Anthony Thornton divided the cash proceeds among themselves and paid the persons who had established the accounts;

8. As a result of their false pretenses and representations made to the USAA Federal Savings Bank, the Defendants obtained money and other benefits from the institution and from one another, and exposed the USAA Federal Savings Bank to risk of loss.

OVERT ACTS

In furtherance of the scheme to defraud, the following overt acts, among others, were committed in the Western District of Texas:

THE KIMBERLY LYN JOHNSON ACCOUNT

1. On October 31, 2006, at the behest of Reginald Earl Green, Kimberly Lyn Johnson opened checking account #XXXX7344 at USAA Federal Savings Bank, San Antonio, Texas for use in the scheme;

2. Kimberly Lyn Johnson opened the account with \$50.00 given to her by Reginald Earl Green for that purpose;

3. On or about November 17, 2006, two checks made payable to "Kimberly Johnson" were deposited into the account; check number 113 written on Bank of America account number XXXXXX2526 in the amount of \$2,950.00 for "manual labor" and check number 1034 written on

Wachovia Bank account number XXXXXXXXXX0070 in the amount of \$2,600.00 for "supplies;"

4. The checks deposited into the account were not supported with funds, and fraudulently created a positive balance in the account;

5. After the deposits posted to the account, Reginald Earl Green drove Kimberly Lyn Johnson to an HEB grocery store in San Antonio, Texas, where he instructed her to purchase money orders, drove her to Security Service Federal Credit Union in San Antonio, Texas, where he instructed her to withdraw cash, and drove her to Ingram Park Mall in San Antonio, Texas, where he instructed her to purchase gift cards, all against the account which Kimberly Lyn Johnson had opened at the behest of Reginald Earl Green;

6. Kimberly Lyn Johnson turned over all money orders, withdrawals, and gift cards to Reginald Earl Green;

7. After Kimberly Lyn Johnson fraudulently obtained funds and used the account as instructed, Reginald Earl Green gave her a cash payment for the use of the account;

8. As a result of the Defendants' withdrawals from the account, the Defendants caused the account to reflect a negative balance, and thereby exposed the USAA Federal Savings Bank to risk of loss;

THE JAMES CLINT HENIGSMITH ACCOUNT

1. On or about January 10, 2007, at the behest of Reginald Earl Green and Kenneth Anthony Thornton, James Clint Henigsmith opened USAA Federal Savings Bank checking account # XXXXXX9931 for use in the scheme;

2. James Clint Henigsmith opened the account with \$25.00 given to him by Reginald Earl Green for that purpose;

3. After James Clint Henigsmith opened the account in his name, Reginald Earl Green and Kenneth Anthony Thornton instructed him to contact them as soon as his ATM card was available for use;

4. On or January 18, 2007, three checks made payable to "James Henigsmith" were deposited into the account: check number 614 written on HEB Federal Credit Union account number XXXXX1774 in the amount of \$2,900.00 for "labor," check number 108 written on Bank of America account number XXXXXX2566 in the amount of \$2,750.00 for "payment/supplies," and check number 1056 written on Wachovia Bank account number XXXXXXXXXXX0070 in the amount of \$2,500.00 for "equipment." All three checks are endorsed with the signature of "James Henigsmith," but the signatures do not resemble the signature on the signature card for the account;

5. The checks deposited into the account were not supported with funds, and fraudulently created a positive balance in the account;

6. After the deposits posted to the account, Reginald Earl Green and Kenneth Anthony Thornton drove James Clint Henigsmith to an HEB grocery store in San Antonio, Texas, where they instructed him to purchase money orders, drove him to Security Service Federal Credit Union in San Antonio, Texas, where they instructed him to withdraw cash, and drove him to a shopping mall in San Antonio, Texas, where they instructed him to purchase gift cards, all against the account which James Clint Henigsmith had opened at the behest of Reginald Earl Green and Kenneth Anthony Thornton;

7. James Clint Henigsmith withdrew cash for himself when he realized the account had a positive balance, and turned over money orders, remaining withdrawals, and gift cards to Reginald Earl Green and Kenneth Anthony Thornton;

8. Thereafter, Reginald Earl Green gave James Clint Henigsmith a cash payment for the use of the account;

9. As a result of the Defendants' withdrawals from the account, the Defendants caused the account to reflect a negative balance, and thereby exposed the USAA Federal Savings Bank to risk of loss;

10. During all times of the scheme to defraud, the Defendants withdrew additional funds from the accounts knowing that they had been credited with fraudulent deposits, thereby exposing the USAA Federal Savings Bank to risk of loss.

THE ALEX OROSCO ACCOUNT

1. On or about January 3, 2007, at the behest of Reginald Earl Green, Alex Orosco opened USAA Federal Savings Bank checking account # XXXXXX7480 for use in the scheme;

2. Alex Orosco opened the account with \$25.00 given to him by Reginald Earl Green for that purpose;

3. After Alex Orosco opened the account in his name, Reginald Earl Green instructed him to contact Reginald Earl Green as soon as the ATM card was available for use;

4. On or January 18, 2007, three checks made payable to "Alex Orosco" were deposited into the account: check number 349 written on Bank of America account number XXXXXXXX7369 in the amount of \$2,805.00 for "loan," check number 512 written on HEB Federal Credit Union account number XXXXX1744 in the amount of \$2,900.00 for "manual labor," and check number 149 written on San Antonio Federal Credit Union account number XXXXXX4043 in the amount of \$2,600.00 for "down payment." All three checks are endorsed with the signature of "Alex Orosco," but the signatures do not resemble the signature on the signature card for the account;

5. The checks deposited into the account were not supported with funds, and fraudulently created a positive balance in the account;

6. After the deposits posted to the account, Reginald Earl Green and Kenneth Anthony Thornton drove Alex Orosco to an HEB grocery store in San Antonio, Texas, where they instructed Alex Orosco to purchase money orders, drove him to Security Service Federal Credit Union in San Antonio, Texas, where they instructed him to withdraw cash, and drove him to a shopping mall in San Antonio, Texas, where they instructed him to purchase gift cards, all against the account which Alex Orosco had opened at the behest of Reginald Earl Green;

7. Alex Orosco turned over money orders, withdrawals, and gift cards to Reginald Earl Green and Kenneth Anthony Thornton

8. After Alex Orosco fraudulently obtained funds and used the account as instructed, Reginald Earl Green gave him cash payment and a gift card for the use of the account;

9. As a result of the Defendants' withdrawals from the account, the Defendants caused the account to reflect a negative balance, and thereby exposed the USAA Federal Savings Bank to risk of loss;

10. During all times of the scheme to defraud, the Defendants withdrew additional funds from the accounts knowing that they had been credited with fraudulent deposits, thereby exposing

the USAA Federal Savings Bank to risk of loss.

All in violation of Title 18, United States Code, Sections 1344 and 2.

A TRUE BILL.



FOREPERSON OF THE GRAND JURY

JOHNNY SUTTON
UNITED STATES ATTORNEY

BY:



JUDITH A. PATTON

Assistant United States Attorney